

104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2023

Introduced 2/6/2025, by Sen. Celina Villanueva

SYNOPSIS AS INTRODUCED:

35 ILCS 640/2-3
35 ILCS 640/2-4
35 ILCS 640/2-7

Amends the Electricity Excise Tax Law. Provides that, beginning July 1, 2025, the tax under the Act is imposed on the operator of an electric vehicle charging station for the electric power transferred for the purpose of charging an electric vehicle. Provides that the tax is not imposed on a person who purchases electricity at an electric vehicle charging station to charge or recharge the battery or other energy storage device of an electric vehicle or on a person who acquires such electricity for free. Provides that the term "purchase price" includes consideration paid by an operator of an electric vehicle charging station to its supplier for the electrical power transferred to the operator's customers for the purpose of charging or recharging the battery or other energy storage device of an electric vehicle. Provides that the term "purchase price" does not include the consideration paid to an operator of an electric vehicle charging station by its customer for the electrical power transferred to charge or recharge the battery or other energy storage device of an electric vehicle. Effective immediately.

LRB104 11918 JDS 22010 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Electricity Excise Tax Law is amended by
5 changing Sections 2-3, 2-4, and 2-7 as follows:

6 (35 ILCS 640/2-3)

7 Sec. 2-3. Definitions. As used in this Law, unless the
8 context clearly requires otherwise:

9 (a) "Department" means the Department of Revenue of the
10 State of Illinois.

11 (b) "Director" means the Director of the Department of
12 Revenue of the State of Illinois.

13 (c) "Person" means any natural individual, firm, trust,
14 estate, partnership, association, joint stock company, joint
15 venture, corporation, limited liability company, or a
16 receiver, trustee, guardian, or other representative appointed
17 by order of any court, or any city, town, village, county, or
18 other political subdivision of this State.

19 (d) "Purchase price" means the consideration paid for the
20 distribution, supply, furnishing, sale, transmission or
21 delivery of electricity to a person for non-residential use or
22 consumption (and for both residential and non-residential use
23 or consumption in the case of electricity purchased from a

1 municipal system or electric cooperative described in
2 subsection (b) of Section 2-4) and not for resale, and for all
3 services directly related to the production, transmission or
4 distribution of electricity distributed, supplied, furnished,
5 sold, transmitted or delivered for non-residential use or
6 consumption, and includes transition charges imposed in
7 accordance with Article XVI of the Public Utilities Act and
8 instrument funding charges imposed in accordance with Article
9 XVIII of the Public Utilities Act, as well as cash, services
10 and property of every kind or nature, and shall be determined
11 without any deduction on account of the cost of the service,
12 product or commodity supplied, the cost of materials used,
13 labor or service costs, or any other expense whatsoever.
14 Beginning on July 1, 2025, "purchase price" includes the
15 consideration paid by an operator of an electric vehicle
16 charging station to its supplier for the electrical power
17 transferred to the operator's customers for the purpose of
18 charging or recharging the battery or other energy storage
19 device of an electric vehicle. However, "purchase price" shall
20 not include consideration paid for:

21 (i) any charge for a dishonored check;

22 (ii) any finance or credit charge, penalty or charge
23 for delayed payment, or discount for prompt payment;

24 (iii) any charge for reconnection of service or for
25 replacement or relocation of facilities;

26 (iv) any advance or contribution in aid of

1 construction;

2 (v) repair, inspection or servicing of equipment
3 located on customer premises;

4 (vi) leasing or rental of equipment, the leasing or
5 rental of which is not necessary to furnishing, supplying
6 or selling electricity;

7 (vii) any purchase by a purchaser if the supplier is
8 prohibited by federal or State constitution, treaty,
9 convention, statute or court decision from recovering the
10 related tax liability from such purchaser; and

11 (viii) any amounts added to purchasers' bills because
12 of charges made pursuant to the tax imposed by this Law.

13 In case credit is extended, the amount thereof shall be
14 included only as and when payments are made.

15 "Purchase price" shall not include consideration received
16 from business enterprises certified under Section 9-222.1 or
17 9-222.1A of the Public Utilities Act, as amended, to the
18 extent of such exemption and during the period of time
19 specified by the Department of Commerce and Economic
20 Opportunity. Beginning on July 1, 2025, "purchase price" shall
21 not include the consideration paid to an operator of an
22 electric vehicle charging station by a customer of the
23 operator for the electrical power transferred to charge or
24 recharge the battery or other energy storage device of an
25 electric vehicle.

26 (e) "Purchaser" means any person who acquires electricity

1 for use or consumption and not for resale, for a valuable
2 consideration. Beginning on July 1, 2025, "purchaser" also
3 means an operator of an electric vehicle charging station that
4 provides for free or sells for valuable consideration
5 electricity to persons at electric vehicle charging stations
6 to charge or recharge the battery or other energy storage
7 device of an electric vehicle.

8 (f) "Non-residential electric use" means any use or
9 consumption of electricity which is not residential electric
10 use.

11 (g) "Residential electric use" means electricity used or
12 consumed at a dwelling of 2 or fewer units, or electricity for
13 household purposes used or consumed at a building with
14 multiple dwelling units where the electricity is registered by
15 a separate meter for each dwelling unit.

16 (h) "Self-assessing purchaser" means a purchaser for
17 non-residential electric use who elects to register with and
18 to pay tax directly to the Department in accordance with
19 Sections 2-10 and 2-11 of this Law.

20 (i) "Delivering supplier" means any person engaged in the
21 business of delivering electricity to persons for use or
22 consumption and not for resale, but not an entity engaged in
23 the practice of resale and redistribution of electricity
24 within a building prior to January 2, 1957, nor, beginning
25 July 1, 2025, an operator of an electric vehicle charging
26 station, and who, in any case where more than one person

1 participates in the delivery of electricity to a specific
2 purchaser, is the last of the suppliers engaged in delivering
3 the electricity prior to its receipt by the purchaser.

4 (j) "Delivering supplier maintaining a place of business
5 in this State", or any like term, means any delivering
6 supplier having or maintaining within this State, directly or
7 by a subsidiary, an office, generation facility, transmission
8 facility, distribution facility, sales office or other place
9 of business, or any employee, agent or other representative
10 operating within this State under the authority of such
11 delivering supplier or such delivering supplier's subsidiary,
12 irrespective of whether such place of business or agent or
13 other representative is located in this State permanently or
14 temporarily, or whether such delivering supplier or such
15 delivering supplier's subsidiary is licensed to do business in
16 this State.

17 (k) "Use" means the exercise by any person of any right or
18 power over electricity incident to the ownership of that
19 electricity, except that it does not include the generation,
20 production, transmission, distribution, delivery or sale of
21 electricity in the regular course of business or the use of
22 electricity for such purposes.

23 (l) "Electric vehicle" means a vehicle that is powered by
24 and refueled by electricity from an external power source.

25 (m) "Electric vehicle charging station" means a facility
26 equipped with chargers and supporting equipment that is

1 available for the purpose of delivering electricity to charge
2 or recharge the battery or other energy storage device of an
3 electric vehicle.

4 (n) "Operator" means a person that provides for free or
5 sells for valuable consideration electricity at an electric
6 vehicle charging station.

7 (Source: P.A. 94-793, eff. 5-19-06.)

8 (35 ILCS 640/2-4)

9 Sec. 2-4. Tax imposed.

10 (a) Except as provided in subsection (b) and (g), a tax is
11 imposed on the privilege of using in this State electricity
12 purchased for use or consumption and not for resale, other
13 than by municipal corporations owning and operating a local
14 transportation system for public service, at the following
15 rates per kilowatt-hour delivered to the purchaser:

16 (i) For the first 2000 kilowatt-hours used or consumed
17 in a month: 0.330 cents per kilowatt-hour;

18 (ii) For the next 48,000 kilowatt-hours used or
19 consumed in a month: 0.319 cents per kilowatt-hour;

20 (iii) For the next 50,000 kilowatt-hours used or
21 consumed in a month: 0.303 cents per kilowatt-hour;

22 (iv) For the next 400,000 kilowatt-hours used or
23 consumed in a month: 0.297 cents per kilowatt-hour;

24 (v) For the next 500,000 kilowatt-hours used or
25 consumed in a month: 0.286 cents per kilowatt-hour;

1 (vi) For the next 2,000,000 kilowatt-hours used or
2 consumed in a month: 0.270 cents per kilowatt-hour;

3 (vii) For the next 2,000,000 kilowatt-hours used or
4 consumed in a month: 0.254 cents per kilowatt-hour;

5 (viii) For the next 5,000,000 kilowatt-hours used or
6 consumed in a month: 0.233 cents per kilowatt-hour;

7 (ix) For the next 10,000,000 kilowatt-hours used or
8 consumed in a month: 0.207 cents per kilowatt-hour;

9 (x) For all electricity in excess of 20,000,000
10 kilowatt-hours used or consumed in a month: 0.202 cents
11 per kilowatt-hour.

12 Provided, that in lieu of the foregoing rates, the tax is
13 imposed on a self-assessing purchaser at the rate of 5.1% of
14 the self-assessing purchaser's purchase price for all
15 electricity distributed, supplied, furnished, sold,
16 transmitted and delivered to the self-assessing purchaser in a
17 month.

18 (b) A tax is imposed on the privilege of using in this
19 State electricity purchased from a municipal system or
20 electric cooperative, as defined in Article XVII of the Public
21 Utilities Act, which has not made an election as permitted by
22 either Section 17-200 or Section 17-300 of such Act, at the
23 lesser of 0.32 cents per kilowatt hour of all electricity
24 distributed, supplied, furnished, sold, transmitted, and
25 delivered by such municipal system or electric cooperative to
26 the purchaser or 5% of each such purchaser's purchase price

1 for all electricity distributed, supplied, furnished, sold,
2 transmitted, and delivered by such municipal system or
3 electric cooperative to the purchaser, whichever is the lower
4 rate as applied to each purchaser in each billing period.

5 (c) The tax imposed by this Section 2-4 is not imposed with
6 respect to any use of electricity by business enterprises
7 certified under Section 9-222.1 or 9-222.1A of the Public
8 Utilities Act, as amended, to the extent of such exemption and
9 during the time specified by the Department of Commerce and
10 Economic Opportunity; or with respect to any transaction in
11 interstate commerce, or otherwise, to the extent to which such
12 transaction may not, under the Constitution and statutes of
13 the United States, be made the subject of taxation by this
14 State.

15 (d) The tax imposed by this Section 2-4 is not imposed with
16 respect to any use of electricity at a REV Illinois Project
17 site that has received a certification for tax exemption from
18 the Department of Commerce and Economic Opportunity pursuant
19 to Section 95 of the Reimagining Energy and Vehicles in
20 Illinois Act, to the extent of such exemption, which shall be
21 no more than 10 years.

22 (e) The tax imposed by this Section 2-4 is not imposed with
23 respect to any use of electricity at a project site that has
24 received a certification for tax exemption from the Department
25 of Commerce and Economic Opportunity pursuant to the
26 Manufacturing Illinois Chips for Real Opportunity (MICRO) Act,

1 to the extent of such exemption, which shall be no more than 10
2 years.

3 (f) The tax imposed by this Section 2-4 is not imposed with
4 respect to any use of electricity at a quantum computing
5 campus that has received a certification for tax exemption
6 from the Department of Commerce and Economic Opportunity
7 pursuant to Section 605-1115 of the Department of Commerce and
8 Economic Opportunity Law of the Civil Administrative Code of
9 Illinois to the extent of the exemption and during the period
10 of time specified by the Department of Commerce and Economic
11 Opportunity.

12 (g) Beginning July 1, 2025, a tax is imposed at the rates
13 specified in subsection (a) of this Section on the operator of
14 an electric vehicle charging station for the electric power
15 transferred for the purpose of charging electric vehicles. The
16 tax is not imposed on any person who purchases or acquires for
17 free electricity at an electric vehicle charging station for
18 the purpose of charging or recharging the battery or other
19 energy storage device of an electric vehicle.

20 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
21 102-1125, eff. 2-3-23; 103-595, eff. 6-26-24.)

22 (35 ILCS 640/2-7)

23 Sec. 2-7. Collection of electricity excise tax.

24 (a) Beginning with bills for electricity or electric
25 service issued on and after August 1, 1998, the tax imposed by

1 this Law shall be collected from the purchaser, other than a
2 self-assessing purchaser where the delivering supplier or
3 suppliers are notified by the Department that the purchaser
4 has been registered as a self-assessing purchaser for the
5 accounts listed by the self-assessing purchaser as described
6 in Section 2-10 of this Law, by any delivering supplier
7 maintaining a place of business in this State at the rates
8 stated in Section 2-4 with respect to the electricity
9 delivered by such delivering supplier to or for the purchaser,
10 and shall be remitted to the Department as provided in Section
11 2-9 of this Law. All sales to a purchaser are presumed subject
12 to tax collection unless the Department notifies the
13 delivering supplier that the purchaser has been registered as
14 a self-assessing purchaser for the accounts listed by the
15 self-assessing purchaser as described in Section 2-10 of this
16 Law. Upon receipt of notification by the Department, the
17 delivering supplier is relieved of all liability for the
18 collection and remittance of tax from the self-assessing
19 purchaser for which notification was provided by the
20 Department. The delivering supplier is relieved of the
21 liability for the collection of the tax from a self-assessing
22 purchaser until such time as the delivering supplier is
23 notified in writing by the Department that the purchaser's
24 certification as a self-assessing purchaser is no longer in
25 effect. Delivering suppliers shall collect the tax from
26 purchasers by adding the tax to the amount of the purchase

1 price received from the purchaser for delivering electricity
2 for or to the purchaser. Where a delivering supplier does not
3 collect the tax from a purchaser, other than a self-assessing
4 purchaser, as provided herein, such purchaser shall pay the
5 tax directly to the Department.

6 (b) The credit allowed to a public utility under Section
7 8-403.1 of the Public Utilities Act shall be allowed as a
8 credit against the public utility's obligation to remit
9 electricity excise tax described in Section 2-9.

10 (c) Beginning July 1, 2025, a delivering supplier shall
11 collect the tax imposed by this Law from operators of electric
12 vehicle charging stations unless the operator has obtained a
13 certificate of registration as a self-assessing purchaser of
14 electricity pursuant to Section 2-10 of this Law. An operator
15 may not purchase electricity from a delivering supplier for
16 resale without paying the tax imposed in Section 2-4 of this
17 Law.

18 (Source: P.A. 90-561, eff. 8-1-98; 90-624, eff. 7-10-98;
19 90-813, eff. 1-29-99.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.